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## WEEKLY FINANCIAL SERVICES REPUBLICAN ROUND-UP

### MESSAGING RESOURCES/POLLING UPDATE

Democrats Continue To Engage In Budget Gimmicks To Hide Their Out Of Control Spending. Even though taxpayers now own at least 80 percent of Fannie Mae and Freddie Mac, the Obama Administration continues to not account for the cost of Fannie Mae and Freddie Mac in the budget. Fannie and Freddie should no longer be treated as private companies since they rely on taxpayer dollars to fund their operations. The Administration must place them on budget in order to allow taxpayers to know the exact amount of the GSEs' liability. Taxpayers deserve transparency and to know the exact dollar amount they are on the hook for. Keeping Fannie and Freddie off the budget serves as a gimmick to hide the real cost of their conservatorship.

Democrats' Agenda Continues To Create Uncertainty That Is Paralyzing Economic Activity And Killing Jobs. The Democrats' ever changing agenda is creating an uncertain and conflicting regulatory environment that is discouraging financial institutions from lending and small business owners from investing and opening a new business or expanding. Financial institutions and small businesses not only have to worry about tax increases, but also changes to a government run health care system, the creation of a so-called consumer financial protection agency, and a cap and tax energy policy. In addition, the Administration continues to change its position on many of its proposals. Market participants need certainty about rules, regulations and cost of doing business.

Economic Recovery Depends On Regulatory Consistency Regarding Bank Lending. Financial institutions continue to operate in an uncertain regulatory climate that is suppressing lending. Washington is encouraging banks to lend more, while at the same time bank examiners are applying restrictive standards which inhibit bank lending.

#### Polling:

Rasmussen: "49% Rate Obama's Handling of Economy as Poor"

Rasmussen: "Americans Support Obama Plan to Tax Bailed-Out Banks... Most Americans favor the new effort by President Obama to recover the bailout money by taxing the nation's largest banks. However, most only want the banks who received bailouts to pay the tax and think that other bailed-out institutions like Fannie Mae and Freddie Mac also should be taxed."

### ON THE HORIZON

Friday, February 5: The Full Committee will convene for a joint hearing with the Small Business Committee entitled "Condition of Small Business and Commercial Real Estate Lending in Local Markets" at 10 am in room 2128 Rayburn.

### WEEKEND MUST-READS

Wall Street Journal: "AIG Analysis Reveals Bank Discussions ... Internal documents provided to Congress shed further light on how the Federal Reserve Bank of New York approached its unsuccessful and now controversial negotiations with large U.S. and European banks for concessions in the bailout of American International Group Inc."

Wall Street Journal: "Financial-Crisis Commission Aims to Use Subpoena Power ... The special commission probing the causes of the financial crisis intends to use subpoena powers to get information it wants from banks and government agencies as it focuses on the role of pay, subprime lending, securitization practices and other issues in the market meltdown, the head of the commission said."

Reuters: "U.S. bailout watchdog probes NY Fed on AIG disclosure ... U.S. bailout watchdog has launched two new investigations into the New York Federal Reserve Bank's actions on insurer AIG's disclosure of payments to banks after its 2008 rescue, excerpts of prepared congressional testimony showed on Monday."

Wall Street Journal: "'It All Came Together': Emails Reveal Fed Staffers During AIG Crisis ... At 10.47 p.m. on Nov. 9, 2008, the culmination of a frenetic week in which government officials hatched a deal to prevent American International Group Inc. from a major ratings downgrade and possible bankruptcy, a senior Federal Reserve official sent a congratulatory email."

Wall Street Journal: "Wall Street Toughens Rules on Clawbacks ... Banks and securities firms are toughening rules that give them power to seize pay from employees whose bets or other actions blow up later. But they still mightn't be tough enough."

Wall Street Journal: "Accounting for Fannie ... The Congressional Budget Office has lopped \$20 billion off its estimate of the cost of keeping Fannie Mae and Freddie Mac afloat for the next decade-to a mere \$79 billion."

NY Times: "Treasury Streamlines Its Mortgage Program ... Borrowers seeking to improve their mortgages through a government program will soon find the paperwork a little less cumbersome."

## COMMITTEE REPUBLICANS IN THE NEWS

Rep. Jeb Hensarling gave this statement regarding the state of the union address, he gave this interview on economic recovery and issued these press releases: Hensarling Statement On President's State of the Union Speech; Hensarling: Democrat Spending a Fiscal Tsunami

Rep. Patrick McHenry gave this video commentary on Secretary Geithner's testimony on AIG.

Rep. Spencer Bachus issued this press release: Bachus: AIG Cover Up Continues